



COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY

W. Tayloe Murphy, Jr.
Secretary of Natural Resources

West Central Regional Office
3019 Peters Creek Road, Roanoke, Virginia 24019
Telephone (540) 562-6700, Fax (540) 562-6725
www.deq.virginia.gov

Robert G. Burnley
Director

Steven A. Dietrich
Regional Director

STATE AIR POLLUTION CONTROL BOARD ENFORCEMENT ACTION A SPECIAL ORDER BY CONSENT ISSUED TO Yokohama Tire Corporation

SECTION A: Purpose

This is a Consent Special Order issued under the authority of Va. Code § 10.1-1307.D, 10.1-1309, and 10.1-1184, and § 10.1-1316.C, between the State Air Pollution Control Board and Yokohama Tire Corporation, for the purpose of resolving certain violations of State Air Pollution Control Laws and regulations.

SECTION B: Definitions

Unless the context clearly indicates otherwise, the following words and terms have the meaning assigned to them below:

1. "Va. Code" means the Code of Virginia (1950), as amended.
2. "Board" means the State Air Pollution Control Board, a permanent collegial body of the Commonwealth of Virginia as described in Code §§ 10.1-1301 and 10.1-1184
3. "Department" or "DEQ" means the Department of Environmental Quality, an agency of the Commonwealth of Virginia as described in Va. Code § 10.1-1183.
4. "Director" means the Director of the Department of Environmental Quality.
5. "Order" means this document, also known as a Consent Order.
6. "Yokohama Tire Corporation" means the corporation certified to do business in Virginia and its affiliates, partners, subsidiaries, and parents.
7. "Facility" means the Yokohama Tire Corporation, 1500 Indiana Avenue located in Salem, Virginia.

8. "WCRO" means the West Central Regional Office of DEQ, located in Roanoke, Virginia.
9. "Permit" means the Title V Permit, which became effective June 2, 2003 and expires June 2, 2008.
10. "O&M" means operations and maintenance.

SECTION C: Findings of Fact and Conclusions of Law

1. Yokohama Tire owns and operates a facility in Salem, Virginia. This facility is the subject of a Title V permit dated June 2, 2003, which allows Yokohama Tire to manufacture rubber tires for autos and light trucks.
2. Yokohama Tire has not had any violations in the last three years of operation. The problem(s), noted in a Notice of Violation issued by DEQ September 20, 2005, include:
 - a. Failure to operate their incinerator as defined by Condition XI.A.5 of the Title V permit. XI.A.5 states: "All captured VOC emissions from tread end cementing, outside green tire spray, bead dip and the cement house shall be ducted to an incinerator which is operated on a continuous basis.
 - b. Yokohama Tire submitted a "Prompt Deviation Report" to DEQ on September 8, 2005 stating that the incinerator was inadvertently not started up during the night shift between the hours of 12 am midnight September 8, 2005 through 8 a.m. September 8, 2005.
 - c. Yokohama listed the cause of the deviation as "Employee error and/or equipment malfunction".
3. Yokohama Tire has corrected the problem cited in the Notice of Violation. Prior to the beginning of the next shift, the incinerator was brought on line and became fully operational.
4. Yokohama is working with DEQ staff. A meeting was held between staff and Yokohama representatives on September 30, 2005 to discuss the NOV and determine whether Yokohama Tire would submit information to conduct an SEP or whether to settle the civil charge by direct payment.

SECTION D: Agreement and Order

By virtue of the authority granted it pursuant to Va. Code [§§10.1-1309 and 10.1-1316 (Air), §10.1-1455 (waste), or §62.1-44.15 (water)] and upon consideration of Va. Code § 10.1-1186.2, the Board orders Yokohama Tire Corporation, and Yokohama Tire Corporation agrees, to perform the actions described below and in Appendix B of this Order.

In addition, the Board orders Yokohama Tire Corporation, and Yokohama Tire Corporation voluntarily agrees, to pay a civil charge of \$10,500.00 in settlement of the violations cited in this Order.

1. Yokohama Tire Corporation shall pay \$1050.00 of the civil charge within 30 days of the effective date of this Order. Payment shall be made by check, certified check, money order or cashier's check payable to the "Treasurer of Virginia," delivered to:

Receipts Control
Department of Environmental Quality
Post Office Box 10150
Richmond, Virginia 23240

The payment shall include Yokohama Tire Corporation's Federal ID number.

2. Yokohama Tire Corporation shall satisfy \$9450.00 of the civil charge upon completing the Supplemental Environmental Project (SEP) described in Appendix A of this Order.
3. The net cost of the SEP to Yokohama Tire Corporation shall not be less than the amount set forth in Paragraph D.2. If it is, Yokohama Tire Corporation shall pay the remaining amount in accordance with Paragraph D. 1 of this Order, unless otherwise agreed to by the Department. "Net costs" means the costs of the project minus any tax savings, grants and first-year operation cost reductions or other efficiencies.
4. By signing this Order Yokohama Tire Corporation certifies that it has not commenced performance of the SEP before DEQ identified the violations in this Order and approved the SEP.
5. Yokohama Tire Corporation acknowledges that it is solely responsible for completing the SEP project. Any transfer of funds, tasks, or otherwise by Yokohama Tire Corporation to a third party, shall not relieve Yokohama Tire Corporation of its responsibility to complete the SEP as contained in this Order.
6. In the event it publicizes the SEP or the SEP results, Yokohama Tire Corporation shall state in a prominent manner that the project is part of a settlement for an enforcement action.
7. The Department has the sole discretion to:
 - a. Authorize any alternate SEP proposed by the Facility; and

- b. Determine whether the SEP, or alternate SEP, has been completed in a satisfactory manner.
8. Should the Department determine that Yokohama Tire Corporation has not completed the SEP, or alternate SEP, in a satisfactory manner, the Department shall so notify Yokohama Tire Corporation in writing. Within 30 days of being notified, Yokohama Tire Corporation shall pay the amount specified in Paragraph 2 above as provided in Paragraph 1 above.

SECTION E: Administrative Provisions

1. The Board may modify, rewrite, or amend the Order with the consent of Yokohama Tire, for good cause shown by Yokohama Tire Corporation, or on its own motion after notice and opportunity to be heard.
2. This Order only addresses and resolves those violations specifically identified herein, including those matters addressed in the Notice of Violation issued to Yokohama Tire Corporation by DEQ on September 20, 2005. This Order shall not preclude the Board or the Director from taking any action authorized by law, including but not limited to: (1) taking any action authorized by law regarding any additional, subsequent, or subsequently discovered violations; (2) seeking subsequent remediation of the facility as may be authorized by law; or (3) taking subsequent action to enforce the Order. This Order shall not preclude appropriate enforcement actions by other federal, state, or local regulatory authorities for matters not addressed herein.
3. For purposes of this Order and subsequent actions with respect to this Order, Yokohama Tire Corporation admits the jurisdictional allegations, factual findings, and conclusions of law contained herein.
4. Yokohama Tire Corporation consents to venue in the Circuit Court of the City of Richmond for any civil action taken to enforce the terms of this Order.
5. Yokohama Tire Corporation declares it has received fair and due process under the Administrative Process Act, Va. Code §§ 9-6.14:1 *et seq.*, and the Air Pollution Control Law and it waives the right to any hearing or other administrative proceeding authorized or required by law or regulation, and to any judicial review of any issue of fact or law contained herein. Nothing herein shall be construed as a waiver of the right to any administrative proceeding for, or to judicial review of, any action taken by the Board to enforce this Order.
6. Failure by Yokohama Tire Corporation to comply with any of the terms of this Order shall constitute a violation of an order of the Board. Nothing herein shall

waive the initiation of appropriate enforcement actions or the issuance of additional orders as appropriate by the Board or the Director as a result of such violations. Nothing herein shall affect appropriate enforcement actions by any other federal, state, or local regulatory authority.

7. If any provision of this Order is found to be unenforceable for any reason, the remainder of the Order shall remain in full force and effect.
8. Yokohama Tire Corporation shall be responsible for failure to comply with any of the terms and conditions of this Order unless compliance is made impossible by earthquake, flood, other acts of God, war, strike, or such other occurrence. Yokohama Tire Corporation shall show that such circumstances were beyond its control and not due to a lack of good faith or diligence on its part. Yokohama Tire Corporation shall notify the DEQ Regional Director in writing when circumstances are anticipated to occur, are occurring, or have occurred that may delay compliance or cause noncompliance with any requirement of the Order. Such notice shall set forth:
 - a. the reasons for the delay or noncompliance;
 - b. the projected duration of any such delay or noncompliance;
 - c. the measures taken and to be taken to prevent or minimize such delay or noncompliance; and
 - d. the timetable by which such measures will be implemented and the date full compliance will be achieved.

Failure to so notify the Regional Director within 24 hours of learning of any condition above, which the parties intend to assert will result in the impossibility of compliance, shall constitute a waiver of any claim to inability to comply with a requirement of this Order.

9. This Order is binding on the parties hereto, their successors in interest, designees and assigns, jointly and severally.
10. This Order shall become effective upon execution by both the Director or his designee and Yokohama Tire Corporation. Notwithstanding the foregoing, Yokohama Tire Corporation agrees to be bound by any compliance date which precedes the effective date of this Order.
11. This Order shall continue in effect until the Director or Board terminates the Order in his or its sole discretion upon 30 days written notice to Yokohama Tire Corporation. Termination of this Order, or any obligation imposed in this Order, shall not operate to relieve Yokohama Tire Corporation from its obligation to comply with any statute,

regulation, permit condition, other order, certificate, certification, standard, or requirement otherwise applicable.

12. By its signature below, Yokohama Tire Corporation voluntarily agrees to the issuance of this Order.

And it is so ORDERED this day of 12-14, 2005.

Steven A. Dietrich
FOR Robert G. Burnley, Director
Department of Environmental Quality

Yokohama Tire Corporation voluntarily agrees to the issuance of this Order.

By: Suzuki

Date: 12-12-2005

Commonwealth of Virginia

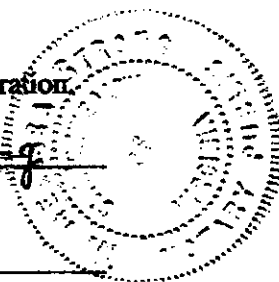
City/County of Salem

The foregoing document was signed and acknowledged before me this 12th day of December, 2005, by Shinichi Suzuki, who is

Executive Vice President of Yokohama Tire Corporation, on behalf of the Corporation.

N. Melissa Stringer
Notary Public

My commission expires: March 31, 2007



APPENDIX A

Pollution Prevention /SEP Project Proposal

Case Name:

Pollution Prevention Project by Yokohama Tire Corporation

Project Description:

To Reduce (not replace or substitute) application of solvent based outside green tire spray by 50% from green tire spray operations.

Project Duration:

18 months or by May 31, 2007 (if approved by November 30, 2005).

Project Goal:

To Reduce use of solvent based outside green tire spray by 50% in the next eighteen months.

Project Objective:

- (1.) The objective of this project is quite simple. We aim to achieve straight pollution reduction simply by reducing the use of solvent based outside green tire spray. We propose to reduce the usage by a minimum of 50% in the next eighteen months once the SEP is approved. This will directly translate into reduction of VOC emissions generation by 50%. As we detailed in the proposal, we aim to achieve 32.3 tons of VOC reduction by pollution prevention at the current level of production- 16,000 tires per day.
- (2.) This project is Pollution Prevention project. This is not about after the fact pollution treatment or conversion of air pollution into another medium. Pollution prevention is to be achieved by reducing the use of solvent based outside green tire spray.
- (3.) Project Cost Details: Yokohama plans to reduce use of outside green tire spray primarily by modifying the mold designs. We plan to try:
 - a.) New style of vents in sidewall molds. The existing vent designs in the molds require use of outside green tire spray so that air can escape without damaging a tire being cured.

- b.) New design of sidewall with serrations between raised white letters. This is another plan to achieve the same goal of air escape during the curing, but different design approach.
- c.) Variable depth of sidewall.

All of the above trials and probably some more design concepts as we proceed will cost a considerable amount of expenditures in existing mold modifications. Molds are quite expensive, and we estimate that it will cost about \$20k to \$32K to achieve our goals. This amount is more than the penalty we propose to offset.

Explain how the project is environmentally beneficial:

The project will provide tremendous environmental benefit by reducing/eliminating use of solvent based green tire spray. This will reduce VOC emissions, reduce or eliminate solvent storage requirement, solvent mixing process and transfer of solvent within the plant, and solvent spray processes. All of those activities have potentials for VOC emissions.

PP/SEP may only be a partial settlement. Show what initial penalty was computed, along with the appropriate PP/SEP amount and final penalty figure:

The PP/SEP as proposed is only a partial settlement. The DEQ calculated penalty is \$10,500. Yokohama proposes to defer 90% of the penalty amount towards the proposed PP/SEP. The remaining amount will be paid as a penalty to the DEQ. The deferred amount will be spent on the pollution prevention project.

Explain how the PP/SEP is not otherwise required by law:

The proposed project is not required by law. VOC emissions from the plant processes are controlled by incineration where required. The pollution prevention project proposal would help eliminate/reduce VOC emissions. The project is about achieving Pollution Prevention by eliminating green tire spray solvent storage, mixing, transfer and usage.

Is there reasonable geographic nexus? If yes, explain:

The project implementation will be on site, in close proximity of the green tire spray machines and cement house.

If no, then does the PP/SEP advance one of the declared objectives of the law or regulation that is the basis of the enforcement action? Explain:

Not Applicable.

Check all of the categories that may apply:

☒ Public Health

Environmental Restoration and Protection

- ☒ Environmental Compliance Promotion
- ☒ Pollution Reduction
- ☒ Emergency Planning and Preparation
- ☒ Pollution Prevention

Each of the following factors MUST be considered. Respond to each:

Net costs (Zero out all governmental loans, grants, tax credits for project). Explain:

No governmental loans, grants or tax credits will be secured for this project.

Estimated cost of process and equipment modifications is greater than \$10,500. The exact cost for this project has not been determined. Yokohama will provide actual cost to the DEQ when the project is completed.

Benefits to the public and environment. Explain:

Reduction in VOC emissions will benefit both the public and environment. The benefits include improved processes and improved indoor/outdoor air quality.

Innovation. Explain:

Not Applicable

Impact on minority or low income populations. Explain:

Not Applicable.

Multimedia Impact

The project will have multimedia impact. The most impact will be on VOC air emissions reduction. It will also help reduce potential accidental hazardous spills and discharges, and subsequent disposal of hazardous waste or non-hazardous waste.

Pollution Prevention Impact:

The project is all about Pollution Prevention by eliminating the use of solvent based green tire spray. It is expected to benefit by multimedia pollution prevention.

Additional Information:

Estimated Reduction of VOC Emissions (by Use Reduction):

Green Tire Spray (outside) usage in August 2005: $1921 \text{ gallons} = (1921)(6.17 \text{ lb/gal}) = 11,853 \text{ lb}$
VOC content is 94%, or $(11583)(0.94) = 11,141 \text{ lb VOC}$
Current level of production is about 16,000 tires/day

VOC Reductions by Pollution Prevention at current level (16,000 tires/day) of production =
 $(11,141 \text{ lb VOC/month})(0.5 \text{ reduction})(12 \text{ months/year})(0.0005 \text{ ton/lb}) = 33.4 \text{ tons/year}$

VOC Reductions at 40,000 tires/day (maximum permitted) = $(33.4)(40/16) = 83.5 \text{ tons/year}$.

Appendix B

Yokohama Tire Corporation shall:

1. Commence the SEP as described in Appendix A of this Order within 30 days of the execution of this Order,
2. Submit quarterly reports of progress of the SEP, within 10 days of the end of the preceding quarter.
3. Complete the SEP by May 31, 2007.
4. Notify DEQ West Central Region office, within 10 days of the completion of the SEP.